

## Message Text

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ACTION EUR-12

INFO OCT-01 EA-10 IO-13 ISO-00 AID-05 CEA-01 CIAE-00  
COME-00 EB-08 FRB-03 INR-07 NSAE-00 SP-02 STR-05  
TRSE-00 LAB-04 SIL-01 OMB-01 L-03 SS-15 NSC-05  
PA-01 USIA-06 PRS-01 INT-05 /109 W  
-----055034 192322Z /62

R 182100Z NOV 77  
FM AMEMBASSY BRUSSELS  
TO SECSTATE WASHDC 3199  
INFO ALL EC CAPITALS  
USMISSION GENEVA  
AMEMBASSY TOKYO

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USEEC

PARIS ALSO FOR OECD; GENEVA ALSO FOR MTN

E.O. 11652: N/A  
TAGS: ETRD, EEC, US  
SUBJECT: STEEL - PROPOSALS FOR REFERENCE PRICES ON IMPORTS

1. IN DISCUSSION WITH CHARGE NOV 16, COMMISSIONER  
HAFERKAMP'S CHEF DE CABINET FROSCHMAIER INDICATED  
THAT EC PARTICIPANTS WERE SATISFIED WITH RECENT DIS-  
CUSSIONS ON STEEL QUESTION WITH USG OFFICIALS. HE  
STATED THAT THE ESSENTIAL MESSAGE CARRIED BY THE  
EUROPEANS WAS THE HOPE THAT THE US WOULD BE VERY  
CAREFUL NOT TO LET IT APPEAR THAT IT WAS IMPOSING  
UNILATERAL MEASURES BUT RATHER THE DECISIONS WERE  
TAKEN ONLY AFTER DISCUSSIONS WITH TRADING PARTNERS.

2. CONCERNING THE IDEA OF A REFERENCE PRICE, EUROPEANS  
HAVE NO PROBLEM IN PRINCIPLE. HOWEVER, SINCE RETURNING  
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TO BRUSSELS, COMMISSION OFFICIALS HAVE BEEN IN TOUCH  
WITH EUROPEAN EXPORTERS AND HAVE RECEIVED THE CLEAR  
MESSAGE THAT THE EUROPEANS COULD NOT LIVE WITH REFER-  
ENCE PRICES 5 BELOW US LIST PRICE. ON THE OTHER HAND,  
ACCORDING TO FROSCHMEIER, THE MORE COMPETITIVE EXPORTERS  
COULD LIVE WITH 7.

3. FROSCHMAIER ADDED THAT EC TECHNICAL EXPERTS ARE CURRENTLY IN THE US EXPLORING THE US REFERENCE PRICE MATTER IN MORE DETAIL AND IT IS NOW CONTEMPLATED THAT FERNAND BRAUN, DIRECTOR GENERAL OF DG III, WILL ACCOMPANY HAFERKAMP ON HIS VISIT TO THE US BEGINNING NOV 28 TO SUPPLY EXPERT ADVICE DURING DISCUSSIONS OF POSSIBLE REFERENCE PRICE FORMULAS AND OTHER STEEL QUESTIONS.

4. IN A SEPARATE CONVERSATION, DG III OFFICIAL HANS KUTSCHER, WHO ATTENDED A NOV 15 MEETING BETWEEN COMMISSIONER DAVIGNON AND EUROFER REPRESENTATIVES, TOLD MISSION THAT EC PRODUCERS WOULD HAVE SERIOUS PROBLEMS WITH A REFERENCE PRICE 5 PERCENT BELOW US LIST PRICE. PRODUCERS SAID THIS WOULD EFFECTIVELY LIMIT EC SALES TO COASTAL REGIONS AND THAT EVEN IN THESE REGIONS US COMPETITORS COULD EASILY MEET COMPETITION BY ADJUSTING DOWNWARDS. MORRIS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** STEEL, IMPORTS, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Review Markings:**  
Margaret P. Grafeld  
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